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SUBJECT: BRAZIL'S LANDLESS MOVEMENT - BACK ON THE MOVE

REF: A. 03 BRASILIA 2375

B. 03 BRASILIA 2428

C. 03 BRASILIA 3739

D. 03 SAO PAULO 0924

E. 03 BRASILIA 3066

1. (SBU) SUMMARY. After months of relative quiet, Brazil's Landless Movement (MST) has initiated a wave of land occupations timed to coincide with the anniversary of a 1996 massacre. Many occupations are in the northeastern state of Pernambuco, where other groups besides MST are active. In Bahia, the invasion of a cellulose plantation pits the administration's populist impulses against its need to protect agribusiness investments. MST's best known leader called for a "Red April" of actions, but later toned down his rhetoric, saying MST is not trying to undermine the government but is impatient with slow progress on the National Agrarian Reform Plan. The government has now authorized R\$1.7 billion (about US\$570 million) to get the National Plan back on track, but it is not clear if or when the money will actually be made available. MST's high-profile activities attract great attention but at present are neither as numerous nor as violent as in the late 1990s. With the Lula administration torn between its support for agrarian reform and its responsibilities to agribusiness, public security, and fiscal austerity, there may be some modest progress made, but MST will not reduce its pressure. END SUMMARY.

APRIL OCCUPATIONS BECOMING AN ANNUAL RITE

2. (SBU) On April 17, 1996, nineteen landless activists were killed by police in the town of Eldorado do Carajás in the northern Brazilian state of Para. (N.b., only two of 145 defendants were ever convicted, and they remain free on appeal.) The massacre gained international attention and was a watershed for the Landless Rural Workers' Movement (MST), radicalizing it further and turning it against the Cardoso government. MST, established in 1984, is Brazil's primary agitator for agrarian reform (refs A, B). Its demands are built around the proven tactic of occupation of farmland by hundreds of landless families until the government cedes title. In its early years, MST typically occupied lands that were unproductive or where title was in doubt, but after the 1996 massacre, the movement became far more belligerent and just as likely to invade government buildings, productive farms, or land owned by multinationals in order to score political points.

3. (SBU) In recent years, MST has organized growing waves of occupations and demonstrations in late-March/early-April to coincide with the anniversary of the 1996 massacre. Since mid-March, MST and other groups have carried out a coordinated campaign of at least 53 land invasions (the number grows daily) in fourteen states involving 15,000 landless families, plus road blockades and demonstrations. Much of the activity is in the northeastern state of Pernambuco, where many of the 25 reported occupations are led not by MST but by FETAPE ("Pernambuco State Agricultural Workers' Federation"), a rival organization that has tactical and ideological differences with MST.

PERNAMBUCO - LATEST HOTBED OF OCCUPATIONS

4. (SBU) FETAPE has organized a reported 19 occupations in Pernambuco in recent weeks --it claims to have mobilized 1,900 families-- but is careful to set up its camps outside target plantations to avoid running afoul of MP 2183. This Presidential Decree, issued by a frustrated President Cardoso in May 2000 and still in force, bars for two years the government from expropriating and redistributing lands that are illegally occupied. The Decree sharply reduced land invasions, forcing activists to develop alternatives --such as setting up camps along roadsides or at plantation gates, or occupying government offices. FETAPE President Aristides dos Santos says his organization now has a total of 153 camps in Pernambuco comprising 9,400 families, but because of MP 2183, it has not occupied any of the 95 unproductive farms that it is pressing the state to expropriate.

5. (SBU) MST's leader in Pernambuco, Jaime Amorim, has no such compunctions. MST has occupied six farms this month, essentially taking them off the table for redistribution for

two years. MST may be particularly radicalized in Pernambuco precisely because of intense competition from other activist groups. Not only FETAPE, but also MAST, MLST, MPA, MTBST, MTB, MTL, MTR, MTRUB, OLC, UAPE, and COOPTERRA are active, to greater or lesser degrees. OLC ("Organization for Struggle in the Fields"), for example, is more likely to occupy productive large-scale farms. Amorim blames the government for Pernambuco troubles, saying "INCRA (the GoB's agrarian reform agency) did not expropriate either occupied or unoccupied areas". INCRA's state director Joao Farias (himself a former MST activist) is more sympathetic to FETAPE's tactic of providing the state with lists of likely farms, rather than occupying them outright. Farias told us that the immediate situation is not as explosive as depicted in the press, but if unaddressed, Pernambuco's agrarian crisis is a "potential powder keg".

16. (SBU) The land problem in Pernambuco is rooted in its historical sugar economy that promoted the creation of enormous plantations worked by families of cane-cutters who subsisted on their own small plots. Since the 1980s, sugar mills have been failing, leaving an estimated 50,000 families with neither land nor steady wage employment. The result is a corps of hungry underemployed fieldworkers who have swelled the ranks of MST and the other landless organizations. Worse, the GoB's INCRA is chronically underfunded and has not resettled a single landless family in Pernambuco in 2004 (though its officials say it is processing sites that it hopes to redistribute later this year). INCRA's Farias told us that only 11,500 families have been resettled in Pernambuco in the past forty years --perhaps 20% of the landless.

BAHIA - AGRIBUSINESS TRUMPS OCCUPATION

17. (SBU) In what is reportedly the largest-ever land invasion in the state of Bahia, on 4 April, 2,500 families organized by MST seized a 53-acre plantation near Porto Seguro, destroying eucalyptus trees (a source of cellulose for paper products). The farm is owned by Veracel (a joint venture with a Swedish-Finnish partner), and supplies the firm's new nearby pulp mill, soon to be the world's largest. Last year, Lula met with Veracel officials to laud their decision to invest US\$1.25 billion in the Bahia operation --the largest single foreign investment during his administration. The GoB condemned the Veracel occupation, calling it bad for Brazil and bad for business, adding that the government would never expropriate the site. On April 8, MST appeared ready to call off the invasion in return for an INCRA pledge to speed redistribution of 12,000 acres already expropriated. MST periodically seizes productive farms, particularly those owned by multinationals (in 2003 it occupied several Monsanto sites to protest the cultivation of biotech crops - ref D).

NATIONAL PLAN - LESS THAN HOPED

18. (SBU) Lula's commitment to the landless dates to the early 1980s when the PT party and MST grew up together. During his 1994 presidential campaign he said, "With a single pen stroke, I'll give you so much land you won't be able to occupy it". As President, he has learned that the problem is not so easily solved. In November 2003, Lula unveiled his National Agrarian Reform Plan (ref C), pledging to resettle 400,000 landless families by the end of his term in December 2006. The plan's novelty was to link land distribution to measures making the farms viable, such as technical assistance, infrastructure, and credit. The National Plan is good on paper but is far from being fulfilled. According to statistics released by the GoB's agrarian reform agency INCRA, only 36,800 families were resettled in 2003 (two-thirds of them in the Amazon region). This left the administration far short of its goal of resettling 60,000 families in its first year and means that it will have to resettle 121,000 families in each of the next three years to reach the goal of 400,000 families.

MST LEADER'S RED HOT RHETORIC...

19. (SBU) Joao Pedro Stedile, MST's founder and best-known leader, often makes unhelpful comments (last year he called for 'war on landowners'), announcing recently, "April will be a red month. We are going to make life hell. April will catch fire." Listening to sharp criticism during a later congressional hearing, Stedile backtracked, saying he meant "to 'pester' the government not make its life hell" and that "Red April refers to our flags". MST, he said, "does not seek to destabilize the government but to spur debate". He also apologized for a comment by fellow MST leader Jaime Amorim that "for every one of us they kill, we'll kill ten." Stedile noted that "it is stupid for us to use violence because we end up paying. The ones who die are on our side." In an April 5 interview he explained that after the November 2003 announcement of the National Plan, MST did not halt its invasions because of any truce with the GoB, but rather focused on (non-invasion) activities, such as organizing its base and developing its training programs. MST, he said,

ended 2003 with 200,000 families camped at 700 sites. True to form, he added, "The government should give signals that it is on the side of the poor against the rich". He also listed Lula's best ministers as ForMin Celso Amorim ("has the courage to confront the gringos, wins 'Brazilian of the Year' award"); and Environment Minister Marina Silva ("defends our people from Monsanto and the handful of loggers who want to control the Amazon").

...AND THE GOVERNMENT'S RESPONSE

10. (SBU) On April 2, Lula appeared to respond to Stedile's "Red April" comments by announcing that R\$1.7 billion (about US\$570 million) would be allocated to the Ministry of Agrarian Development to support the National Plan. Denying that he was acting only because MST was the squeaky wheel, he said, "Agrarian reform is an issue of social justice, we will not be forced into it by the shouters". Lula recommitted his government to fulfill the Plan's targets, and Agrarian Development Minister Rossetto added that Lula had promised funding for 115,000 settlements in 2004.

11. (SBU) INCRA's Chief of Staff, Viviane Coimbra, told us that the National Plan is sound and INCRA can meet the resettlement goal "if we get the funding". But she is not optimistic that even the 2004 money would be forthcoming in this tight fiscal environment. She does not believe the Plan will be fulfilled. Stedile sounded a bit more charitable, saying, "The main thing about (Lula's) announcement was not the amount of money, but the government's declaration that resources will not be an obstacle to meeting the goal of 400,000 families." Opposition Senator Alvaro Dias (PSDB), who chaired the hearing at which Stedile appeared, feels that the R\$1.7 billion is not sufficient and that in any case INCRA lacks structure and competence to carry out the Plan, noting, "There is a large pocket of poverty in the countryside and social pressure will be even greater if the Plan is not successful". He pointed out that land occupations damage the agribusiness sector that accounted for 42% of Brazil's exports last year.

COMMENT - BLOODY LAND DISPUTES HAVE BEEN BLOODIER

12. (SBU) The bout of national angst sparked by MST's March/April invasions has become an annual event, generating attention for the landless and criticism from the press. But this year is running about the same as last year in terms of numbers of invasions and violence, and far below the peak 1998-1999 period, when memories of the 1996 massacre were fresh and MST was in open conflict with the Cardoso government. The following are GoB statistics (similar statistics compiled by the Catholic Church's Pastoral Land Commission show the same trends but run higher in absolute numbers):

YEAR:	1999	2002	2003	2004
TOTAL ANNUAL OCCUPATIONS:	502	183	202	
OCCUPATIONS IN MARCH:	101	7	30	40
DEATHS IN AGRARIAN CONFLICTS:	101	20	42	2

13. (SBU) Lula's competing impulses --defending agrarian reform while also supporting agribusiness, public security, and fiscal austerity-- will be on display in the coming weeks as MST's "Red April" reaches its climax. Expect continued hardline rhetoric from landless leaders, matched by lip service from administration officials on both sides of the issue. Some budget resources are likely to be freed for agrarian reform, though not enough to meet the National Plan's targets. On the other hand, MST will offer no truce in its land invasions --it never does-- whether or not the government meets its demands.

14. (U) This report was coordinated with Amconsul Recife.
HRINAK